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LISTING STATEMENT NO. 2361.

LISTED APRIL 23, 1969.

400,000 7½% Cumulative Redeemable Series A Non-Voting Senior Preference Shares with a par value of \$10 each.
Stock Symbol "VWD A PR".
Post Section 11.
Dial Quotation No. 1740.

1,000,000 Common Shares without par value, of which 290,245 Shares are subject to issuance.
Stock Symbol "VWD".
Post Section 11.
Dial Quotation No. 1772.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED

A Company incorporated under the laws of
The Province of Ontario on April 27th, 1967

CAPITALIZATION AS AT APRIL 1, 1969.

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
7½% Cumulative Redeemable Series A Non-voting Senior Preference shares with a par value \$10.00 each	400,000	400,000	400,000
Non-voting Participating Convertible Junior Preference Shares with a par value of \$2.50 each	290,245	290,245	
Common Shares without par value	709,755	709,755	1,000,000 (1)
FUNDED DEBT			
8% Sinking Fund Secured Debentures, Series A, to mature February 1, 1979	\$5,000,000	\$ 5,000,000	
Mortgages payable and balances owing on agreements of sale (2)	—	\$13,271,177	
Notes Payable (2)	—	\$ 23,731	
(1) of which 290,245 Common Shares are subject to issuance.			
(2) as of February 28, 1969.			

1.

APPLICATION

VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,000,000 Common Shares without par value in the capital stock of the Company, of which 709,755 Common Shares have been issued and are outstanding as fully paid and non-assessable. The remaining 290,245 Common Shares without par value included in this application are subject to issuance upon the conversion of the Non-voting Participating Convertible Junior Preference Shares with a par value of \$2.50 each, one (1) Junior Preference Share being convertible into one (1) Common Share at any time. The Company also hereby makes application for the listing on The Toronto Stock Exchange of 400,000 7½% Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10.00 each, all of which shares have been issued and are outstanding as fully paid and non-assessable.

2.

HISTORY

Reference is made to the Prospectus attached to this application (hereinafter referred to as the "Prospectus") on page 3 under the heading "The Company" and on pages 4, 5 and 6 under the heading "Business and Property of the Company".

3.

NATURE OF BUSINESS

Reference is made to the Prospectus under the heading "Business and Property of the Company" on pages 4, 5 and 6.

4.

INCORPORATION

Reference is made to the Prospectus under the heading "The Company" on page 3.

The Company was originally incorporated on April 20th, 1967 by Letters Patent under the laws of Ontario under the name Dulcimer Limited with an authorized capital divided into 2,000 Class A Preference Shares with a par value of \$1.00 each, 34,000 Class B Preference Shares with a par value of \$1.00 each, 2,000 Class C Preference Shares with a par value of \$1.00 each and 2,000 Common Shares without par value.

On October 21st, 1968, Supplementary Letters Patent were issued to the Company converting the Company into a public company, changing its objects to those of a real estate development company and changing its name to Victoria Wood Development Corporation Limited. The Supplementary Letters Patent also reclassified changed and increased the authorized capital of the Company such that the resultant authorized capital of the Company was divided into 1,000,000 Non-voting Senior Preference Shares with a par value of \$10.00 each, issuable in series, of which 400,000 shares were designated as 7½ % Cumulative Redeemable Series A Non-voting Senior Preference Shares, 290,245 Non voting Participating Convertible Junior Preference Shares with a par value of \$2.50 each and 709,755 Common Shares without par value; provided that the 709,755 Common Shares are not to be issued for a consideration exceeding in amount or value the sum of \$2,275,000 or such greater amount as the Board of Directors of the Company deems expedient on payment to the Treasurer of Ontario of the fees payable on such greater amount and on the issuance by the Provincial Secretary of a certificate of such payment.

5.

SHARES ISSUED DURING PAST TEN YEARS

Until November 22nd, 1968, the Company was inactive and the only shares issued were 3 incorporator's shares.

On November 22nd, 1968, the Company issued, for cash, 509,755 Common Shares without par value and 290,245 Junior Preference Shares with a par value of \$2.50 each at a price of \$2.50 per share, or an aggregate consideration of \$2,000,000. Reference is made to the Prospectus under the heading "Prior Sales" on page 14 for particulars of the number of Common Shares and Junior Preference Shares issued and the persons to whom the said shares were issued.

On February 6th, 1969, pursuant to the terms of an underwriting agreement made between the Company and F. H. Deacon and Company Limited and referred to on page 6 of the Prospectus under the heading "Plan of Distribution", the Company issued as fully paid and non-assessable shares, 400,000 7½ % Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10.00 each and 200,000 Common Shares without par value to F. H. Deacon and Company Limited in consideration of a cash payment of \$5,000,000.

6.

SHARE PROVISIONS AND VOTING POWERS

Reference is made to the Prospectus under the heading "The Shares" on pages 7, 8 and 9 and to the Schedule of Share Provisions on page 23 of the Prospectus.

7.

DIVIDEND RECORD

The only dividend declared to date by the Company is a dividend of 11¢ per share on each of the issued and outstanding 7½ % Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10.00 each, being the accrued dividend from February 6th, 1969 (the date of issue) to April 1st, 1969, payable to shareholders of record as of March 20th, 1969.

8.

RECORD OF PROPERTIES

Reference is made to the heading "Business and Property of the Company" on pages 4, 5 and 6 of the Prospectus.

9.

SUBSIDIARY COMPANIES

The Company has no subsidiary or controlled companies.

10.

FUNDED DEBT

On February 6th, 1969, the Company issued for cash \$5,000,000 principal amount of Secured Debentures, designated as 8% Sinking Fund Secured Debentures, Series A, (the "Series A Debentures") being the first series of Debentures issued under a Deed of Trust and Mortgage (the "Trust Deed") dated as of February 1, 1969 and made between the Company and Montreal Trust Company, as Trustee, providing for the issue of Debentures of the Company. The \$5,000,000 principal amount of Series A Debentures, mature on February 1, 1979, and bear interest at the rate of 8% per annum from February 4, 1969, payable half-yearly on February 1 and August 1 in each year, with interest on overdue interest at the said rate.

The Series A Debentures are redeemable for Sinking Fund purposes as to \$100,000 principal amount on or before February 1 in each of the years 1970 and 1971 and as to \$500,000 principal amount on or before February 1 in each of the years 1972 to 1978 inclusive, but are not redeemable otherwise than out of such Sinking Fund or at stated maturity. Provided, however, that in the event of certain changes in the Tax Treaty between the Federal Republic of West Germany and the Government of Canada and, if requested by the purchasers of the Series A Debentures, the Company has agreed to increase the Sinking Fund payments to \$250,000 principal amount (if the regular Sinking Fund payment would have been \$100,000) or to \$1,500,000 principal amount (if the regular Sinking Fund payment would have been \$500,000). In the event of an acceleration of Sinking Fund payments as aforesaid, Revenue Properties Company Limited has agreed to advance to the Company the additional monies required to meet the said accelerated Sinking Fund payments.

The Company has also agreed to adjust the amounts of principal and interest from time to time payable under the said Debentures to reflect changes in currency exchange rates of the Deutsche Mark, provided that no such increase or decrease shall exceed 10% of the amount which would otherwise be payable.

The said Debentures are secured, in the opinion of counsel, by (1) a fixed and specific mortgage, hypothec, pledge and charge upon specific lands, subject only to Prior Mortgages, permitted mortgages, permitted encumbrances and minor title defects (as such terms are defined in the Trust Deed) and leases and (2) a first floating charge on the undertaking and all other property and assets of the Company. The aforementioned Trust Deed contains a covenant of the Company to the effect that so long as any of the Series A Debentures are outstanding, the Company will not create or issue or become liable on any Senior Debt or Additional Debentures (as such terms are defined in the Trust Deed) unless the aggregate principal amount of all indebtedness for borrowed money to be outstanding immediately thereafter which, or a guarantee of which, is secured by encumbrances on real or movable property owned by the Company, ranking *pari passu* with or in priority to the lien of the Trust Deed, will not exceed three times the total of the Consolidated Net Tangible Assets and the aggregate principal amount of Subordinated Debt (as such terms are defined in the Trust Deed).

Additional Secured Debentures may from time to time be issued under the Trust Deed without limitation as to aggregate principal amount, subject to the terms and conditions of the Trust Deed. All Secured Debentures issued under the aforementioned Trust Deed rank or will rank *pari passu*.

11. OPTIONS, UNDERWRITINGS, ETC.

The Company has no outstanding options, underwritings, sale agreements or other contracts or agreements of a like nature with respect to any of its unissued shares or any issued shares held for the benefit of the Company.

12. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

The Ontario Securities Commission has issued its official receipt dated January 23rd, 1969, acknowledging receipt of the material required under The Securities Act, 1966 (Ontario) relating to the offering of 400,000 7½ % Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10.00 each and 200,000 Common Shares without par value of the Company.

14. FISCAL YEAR

The fiscal year of the Company ends on December 31 in each year.

15. ANNUAL MEETINGS

The By-laws of the Company provide that the annual meeting of the Company shall be held on such day in each year as the Board of Directors of the Company from time to time may determine and shall be held at the head office of the Company or elsewhere in the Municipality in which the head office is situate (presently, the Municipality of Metropolitan Toronto) save that a meeting of the shareholders may be held elsewhere in the Province of Ontario if the Board of Directors of the Company so determines. The last annual meeting of the Company was held on September 24th, 1968.

16. HEAD AND OTHER OFFICES

The head office and principal office of the Company is located at 1801 Eglinton Avenue West, Toronto, Ontario.

17. TRANSFER AGENT

The Transfer Agent of the Company is Montreal Trust Company at its principal offices in each of the Cities of Toronto and Montreal.

18. TRANSFER FEE

No fee is charged on share transfers other than the customary government stock transfer taxes.

19. REGISTRAR

The Registrar of the Company is the Montreal Trust Company at its principal offices in each of the Cities of Toronto and Montreal.

20. AUDITORS

The Auditors of the Company are Laventhol Krekstein Horwath & Horwath, Chartered Accountants, 160 Bloor Street East, Toronto 5, Ontario.

21.

OFFICERS

The Officers of the Company are:

Name	Office	Home Address
Morris Emer	President	42 Ridelle Avenue, Toronto, Ontario
Joseph Godfrey	Executive Vice-President and Secretary-Treasurer	26 Deepwood Crescent, Toronto, Ontario
Harry H. Rubin	Assistant-Treasurer	126 Dunvegan Road, Toronto, Ontario
William Hulsman	Assistant-Secretary	Watch Hill Road, R.R. No. 1, King City, Ontario

22.

DIRECTORS

The Directors of the Company are:

Name	Home Address
Morris Emer	42 Ridelle Avenue, Toronto, Ontario
Joseph Godfrey	26 Deepwood Crescent, Toronto, Ontario
Donald Carr, Q.C.	35 Avenal Drive, Toronto, Ontario
Berko Devor, Q.C.	31 Vesta Drive, Toronto, Ontario
Maxwell Goldhar	124 Old Forest Hill Road, Toronto, Ontario
Robert William Macaulay, Q.C.	88 Elm Avenue, Toronto, Ontario
Alex J. Rubin	47 Hilltop Road, Toronto, Ontario
Harry H. Rubin	126 Dunvegan Road, Toronto, Ontario
Robert Charles Stone, C.F.A.	32 Forestbrook Crescent, Agincourt, Ontario

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Victoria Wood Development Corporation Limited hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED

per: "M. EMER",
President

per: "J. GODFREY",
Executive Vice-President

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



F. H. DEACON & COMPANY LIMITED

per: "ROBERT G. STONE"

DISTRIBUTION OF COMMON STOCK AS OF MARCH 24, 1969

Number		Shares
34	Holders of 1 — 24 share lots	299
160	" " 25 — 99 " "	7,157
100	" " 100 — 199 " "	10,340
43	" " 200 — 299 " "	8,848
11	" " 300 — 399 " "	3,400
5	" " 400 — 499 " "	2,000
12	" " 500 — 999 " "	6,705
13	" " 1000 — up " "	671,006
<u>378</u>	Shareholders	<u>709,755</u>
	Total shares	<u>709,755</u>

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereby and any representation to the contrary is an offence.

New Issue

VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED

**400,000 7½% Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10 each, and
200,000 Common Shares without par value.**

The 7½% Cumulative Redeemable Series A Non-voting Senior Preference Shares with a par value of \$10 each (the "Series A Preference Shares") when issued, are to be fully paid and non-assessable, preferred as to capital and dividends and entitled to fixed cumulative preferential cash dividends (to accrue from the date of issue thereof), as and when declared by the board of directors at the rate of 7½% per annum payable on the first days of January, April, July and October in each year. Further information relating to the Series A Preference Shares and the Common Shares is contained on pages 7 to 9.

	Price to Public	Underwriter's Commission	Proceeds to Company ⁽¹⁾
Per Unit ⁽²⁾	\$25.00	\$1.00	\$24.00
Total	\$5,000,000	\$200,000	\$4,800,000

(1) Before deduction of expenses of issue, estimated at \$100,000.

(2) Each Unit is to consist of 2 Series A Preference Shares and 1 Common Share.

We, as principals, offer in Units these 400,000 Series A Preference Shares and 200,000 Common Shares without par value in the capital of Victoria Wood Development Corporation Limited if, as and when issued and accepted by us, subject to the approval of all legal matters on our behalf by Messrs. Davies, Ward & Beck, Toronto, and on behalf of the Company by Messrs. Goodman and Carr, Toronto, and Messrs. Borden, Elliot, Kelley & Palmer, Toronto.

PRICE: \$25 per Unit

To be offered in Units consisting of 2 Series A Preference Shares and 1 Common Share.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. It is expected that share certificates will be available for delivery on or about February 6, 1969.

TRANSFER AGENT AND REGISTRAR:
Montreal Trust Company, Toronto, Montreal

F. H. DEACON & COMPANY LIMITED
105 ADELAIDE STREET WEST • TORONTO, CANADA

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THE COMPANY

Victoria Wood Development Corporation Limited (the "Company") is engaged in the business of real estate development in Metropolitan Toronto, Ontario, and vicinity.

The Company, the head office and principal office of which is located at 1801 Eglinton Avenue West, Toronto, Ontario, was incorporated by letters patent under the laws of Ontario on April 27, 1967, under the name Dulcimer Limited. On October 21, 1968, supplementary letters patent were issued to the Company: (i) converting it into a public company, (ii) changing its objects to those of a real estate development company, (iii) changing its name to Victoria Wood Development Corporation Limited and (iv) reorganizing its authorized and issued capital. The Company did not carry on any business prior to the acquisition of substantially all of the undertaking, property and assets of Victoria Wood Homes, particulars of which are set out under the heading of "Business and Property of the Company" on page 4.

CAPITALIZATION

DESIGNATION OF SECURITY	Amount Authorized	Amount Outstanding as of November 22, 1968 ⁽³⁾	Amount to be Outstanding as of November 22, 1968 after giving effect to the financing
Long Term Debt			
8% Sinking Fund Secured Debentures, Series A, to mature October 1, 1978 ⁽¹⁾	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Mortgages Payable and Balances Owing on Agreements of Sale ⁽²⁾	—	12,228,313	12,228,313
Secured bank indebtedness	—	950,000	—
Notes payable	—	76,732	76,732
Share Capital			
Non-voting Senior Preference Shares with a par value of \$10 each, 1,000,000 shares authorized, issuable in series			
7½% Cumulative Redeemable Series A Non-voting Senior Preference Shares	400,000 (\$4,000,000)	—	400,000 shs. (\$4,000,000)
Non-voting Participating Convertible Junior Preference Shares with a par value of \$2.50 each	290,245 shs. (\$725,612)	290,245 shs. (\$725,612)	290,245 shs. (\$725,612)
Common Shares without par value	709,755 shs.	509,755 shs. (\$1,274,388)	709,755 shs. (\$2,274,388)

(1) Particulars of these Debentures are set forth under the heading "Attributes of Sinking Fund Secured Debentures, Series A" on page 7 of this prospectus and in note 9 to the pro forma balance sheet of the Company as at September 1, 1968 forming part of this prospectus.

(2) Particulars of mortgages payable and balances owing on agreements of sale are set forth under the subheading "Property of the Company" on page 6 and in note 8 to the pro forma balance sheet of the Company as at September 1, 1968. The amount shown is the principal amount outstanding as at September 1, 1968, the date of such balance sheet. It is not practicable to state the exact amount owing at the date in question, as the aggregate indebtedness is comprised of amounts owing under numerous mortgages payable and balances owing on agreements of sale, which amounts vary in the ordinary course of business from day to day.

(3) On November 22, 1968 the Company acquired, effective as of September 1, 1968, substantially all of the undertaking, property and assets of a limited partnership, Victoria Wood Homes, subject to certain liabilities. Particulars of the acquisition are shown under the subheading "Acquisition of Victoria Wood Homes" on page 4.

(4) Reference is made to note 4 to the pro forma balance sheet of the Company as at September 1, 1968 for information concerning the extent of obligations arising by virtue of leases on real property.

BUSINESS AND PROPERTY OF THE COMPANY

History

The Company has acquired substantially all of the undertaking, property and assets of the limited partnership known as Victoria Wood Homes. Since its inception on May 15, 1964, Victoria Wood Homes has constructed and sold a total of 1,104 housing units and realized sales of \$28,873,806 in connection with housing units and \$3,908,781 in respect of land. Victoria Wood Homes developed and sold houses in the Burnhamdale Wood development in the Dixie area of Toronto Township, the Westport subdivision on North Mississauga Road in Toronto Township, Tangreen Village in North York Township, the Midland Avenue-Sheppard Avenue area of Agincourt, the Stableford Farm development in Scarborough and the Chartwell subdivision in Scarborough.

Acquisition of Victoria Wood Homes

Effective as of September 1, 1968, the Company acquired substantially all of the undertaking, property and assets of Victoria Wood Homes, consisting principally of parcels of land in varying stages of development and interests in companies and a partnership, which are actively engaged in land development. Under the terms of the agreement of purchase and sale, the Company agreed to pay Victoria Wood Homes \$18,460,594, payable as to \$14,193,021 by the assumption of mortgages and trade liabilities, as to \$2,133,786 in cash on closing (plus interest at the rate of 8% per annum on \$4,267,573 from September 1, 1968 to the closing date) and as to \$2,133,787 on April 1, 1969, together with interest at the rate of 8% per annum from the closing date. The purchase price exceeds the aggregate book value of the purchased assets by \$2,000,000.

In order to finance the acquisition, the Company issued and sold for cash \$5,000,000 principal amount of 8% Sinking Fund Secured Debentures, Series A to Revenue Properties Company Limited, one of the principal shareholders of the Company. The proceeds of the sale of the Debentures are sufficient to pay that part of the purchase price for the purchased assets which is payable to Victoria Wood Homes in cash. Further particulars of the Debentures are set out under the heading "Attributes of Sinking Fund Secured Debentures, Series A" on page 7.

The Company is continuing development of the current projects acquired from Victoria Wood Homes. A general description of these projects is set forth under the subheading "Current Projects" below and further particulars are set forth under the subheading "Property of the Company" on page 6.

Reference is made to "Interest of Management and Others in Material Transactions" on page 11 as to the interest of certain directors of the Company in this acquisition and in Victoria Wood Homes.

Current Projects

The Company presently has under construction or planned for development 870 housing units, 300,000 sq. ft. of industrial and commercial space and apartment complexes consisting of 1157 suites. The Company has a 50% interest in certain companies and a partnership which have under construction or planned for development 366 housing units, 350,000 sq. ft. of industrial and commercial space and apartment complexes consisting of 2660 suites. A general description of these various projects is set forth below. During the period from April 1, 1968 to August 31, 1968, Victoria Wood Homes sold 84 houses. The Company acquired from Victoria Wood Homes 91 houses under construction and 551 building lots ready for house construction.

Residential Construction—In 1967, Victoria Wood Homes purchased the developed portion of the Rattray Park Estate in Clarkson, Ontario and designed and constructed houses to be sold at prices ranging from \$47,000 to \$95,000 per house. One of these houses received the Chatelaine Design Home 1968 Award from Chatelaine magazine. Sales of the original group of 113 houses in this project have already commenced and the Company, having acquired these lands, intends that this development be completed in the near future.

Another project acquired by the Company in the early stages of development is the construction and sale of 100 houses in a subdivision near Don Mills Road and Sheppard Avenue East in Metropolitan Toronto.

The Company has acquired part of a former golf course site on Leslie Street in Metropolitan Toronto. This development will be known as "Denlow Estates" and the Company expects to construct 189 houses on this site.

The Company is continuing the construction of 125 houses in the Chartwell subdivision in Scarborough and 31 houses in various other locations in Metropolitan Toronto.

The Company owns 65 acres of residential land on Upper Middle Road and Stillmeadow Road near the South Peel County Hospital in the Town of Mississauga, Ontario. A plan of subdivision calling for approximately 300 housing units has been submitted to municipal authorities.

The Company owns 231 acres of land near Highway 10 and Burnhamthorpe Road in the Town of Mississauga, Ontario. This acreage is opposite the proposed Greenfield Shopping Centre.

Apartment and Commercial Construction—The Company has begun construction of a 107-suite apartment building adjacent to the present Holiday Inn on Highway 27 in Etobicoke in Metropolitan Toronto.

The Company has commenced construction of an industrial mall near Caledonia Road and Castlefield Road in Metropolitan Toronto, which upon completion will contain approximately 200,000 sq. ft. of industrial space. It is anticipated that the first phase, consisting of 40,000 sq. ft., will be ready for leasing before the end of 1968.

An office building of approximately 25,000 sq. ft., presently under construction by the Company at Lawrence Avenue and Caledonia Road in Metropolitan Toronto, has been leased for a term of 25 years to a leading construction company and the tenant has been granted an option to purchase the property at the end of the lease term for a nominal consideration. The building is virtually complete and the tenant has taken possession.

The Company has an agreement with The Canadian National Railway Company to lease, for a period of 75 years, certain lands at the south-east corner of Main Street and Danforth Avenue in Metropolitan Toronto, which will be developed as an apartment and commercial complex. Present plans contemplate that this complex will consist of 1,050 apartment units and 74,000 sq. ft. of stores and offices.

Partnership and Share Interests—The Company owns 50% of the shares of Yonge-Sheppard Developments Limited, a company which has acquired approximately 273,000 sq. ft. of land near the north-east corner of Yonge Street and Sheppard Avenue in Metropolitan Toronto. Present plans call for a complex to consist of approximately 950 apartment suites, 300,000 sq. ft. of office space and an indoor shopping mall. It is anticipated that construction will commence early in 1970 and be completed in time for the anticipated opening of the subway terminal at Yonge Street and Sheppard Avenue.

The Company owns 50% of the shares of Maisonette Developments Limited, a company which is developing a subdivision on the south side of Sheppard Avenue East between Brimley Avenue and McCowan Road in Scarborough in Metropolitan Toronto. It is anticipated that the plan of subdivision will be registered in the near future and preliminary work has already begun in preparing the land for servicing. This development will consist of 321 building lots, a site for a 210-suite apartment building, commercial stores and a service station site. Maisonette Developments Limited is retaining for future development approximately 39 acres of land adjacent to this property.

The Company has a 50% interest in a partnership with Tricont Properties Limited to develop 25 acres for commercial and residential purposes at the south-west corner of Sheppard Avenue East and Warden Avenue in Metropolitan Toronto.

Management

Upon the formation of Victoria Wood Homes in 1964, Messrs. Joseph Godfrey and Morris Emer assumed executive responsibility for its activities. Prior to 1964, both Messrs. Godfrey and Emer had been principal officers of their own companies, which were active in the real estate construction field. Through their respective companies, Messrs. Emer and Godfrey have been responsible for the construction of houses in developments in Metropolitan Toronto such as Don Mills, Green Acres, Don View Heights, and Bayview Gardens in North York; Glen Ayr and Wilmar Heights in Scarborough; and Markland Wood, The Elms Golf Course, Eringate, Glen Agar and Cloverdale in Etobicoke. They also developed apartment complexes such as "Cloisters of the Don" and numerous townhouses in Don Mills, the "Towers of York" apartment building in North York, the "Oaks Apartment House" development on Russell Hill Road in the City of Toronto and the "Top of the Valley" apartment buildings in Don Mills.

In addition to their positions as directors of the Company, Messrs. Emer and Godfrey are to manage the Company under contracts of employment for a period of ten years.

Property of the Company

The following sets out, in tabular form, the assets of the Company and major encumbrances thereon as at September 1, 1968, as shown on the accompanying pro forma balance sheet of the Company as at that date.

REAL ESTATE	Number of Building Lots	Number of Houses under Construction	Cost (1)	Mortgages Payable and Balances Owing on Agreements of Sale		
				Amount	Rate % p.a.	Maturity
<i>Houses</i>						
Borough of North York.....	293	11	\$ 4,976,365	\$ 3,775,061	7	1970 to 1973
Town of Mississauga.....	116	24	1,928,528	1,124,530	7	1970
Borough of Scarborough....	142	56	1,834,597	1,144,700	7½ and 8	1968 and 1969
	<u>551</u>	<u>91</u>				
<i>Vacant Land planned for residential use</i>						
Town of Mississauga.....	Approximately 266 acres plus 145 unserviced building lots		5,960,610	5,449,072	0 to 7	1969 to 1973
<i>Vacant Land planned for apartments and commercial use</i>						
Toronto.....	Acreage for 1,050 apartment suites and 74,000 sq.ft. of com- mercial space (leased land)		514,209	—	—	—
Borough of Etobicoke.....	Acreage for 107 apartment suites		341,002	285,000	7	2003
<i>Vacant Land planned for industrial use</i>						
Borough of North York.....	Acreage for 225,000 sq. ft. of industrial space		1,034,575	449,950	6 and 7	1972 to 1976
			<u>\$16,589,886</u>	<u>\$12,228,313</u>		
INVESTMENT IN REAL ESTATE VENTURES						
Investments in and advances to associated companies.....			\$ 1,203,387			
Equity in and advances to part- nership.....			282,771			
OTHER ASSETS.....			<u>9,325,806</u>			
			<u>\$27,401,850</u>			

(1) Cost is net after deduction of construction mortgage advances received, where applicable.

The Company leases its head office and principal office premises at 1801 Eglinton Avenue West in Metropolitan Toronto under a lease which expires on February 28, 1973, at an annual rental of \$3,168. Reference is made to the subheading "Interest of Management and Others in Material Transactions" on page 12.

APPLICATION OF PROCEEDS

The estimated net proceeds to be received by the Company from the sale of the shares offered by this prospectus will be \$4,700,000 after deducting the underwriter's commission and estimated expenses of the issue. These proceeds will be added to the Company's cash resources for future development of real estate projects. Specifically, these proceeds will be used by the Company to acquire additional properties for development, to fund the cost of servicing undeveloped lands which the Company now owns or which it may acquire in the future, and to fund the cost of construction of residential homes, commercial and industrial buildings and apartment buildings which the Company now has in progress or intends to commence in the near future.

PLAN OF DISTRIBUTION

Under an agreement dated January 22, 1969, F. H. Deacon & Company Limited, as underwriter, has agreed to purchase from the Company, subject to the terms and conditions set forth in the said agreement and subject to compliance with all necessary legal formalities, the 400,000 Series A Preference Shares and 200,000 Common Shares offered by this prospectus in Units, if, as and when issued, for an aggregate price (after commission) of \$4,800,000 payable in cash against delivery of certificates representing such shares. The underwriter is committed to take up and pay for all of the said shares if any are taken up.

ATTRIBUTES OF SINKING FUND SECURED DEBENTURES, SERIES A

As referred to under the subheading "Acquisition of Victoria Wood Homes" the Company has issued and sold \$5,000,000 principal amount of Secured Debentures, designated as 8% Sinking Fund Secured Debentures, Series A, being the first series of Debentures issued under a deed of trust and mortgage (the "trust deed") dated as of November 1, 1968 and made between the Company and Montreal Trust Company, as Trustee, providing for the issue of Debentures of the Company. The \$5,000,000 principal amount of 8% Sinking Fund Secured Debentures, Series A (the "Secured Debentures, Series A") are dated as of November 1, 1968, mature on October 1, 1978 and bear interest at the rate of 8% per annum payable half-yearly on April 1 and October 1 in each year, with interest on overdue interest at the said rate.

The Secured Debentures, Series A are issuable only in fully registered form and in denominations of \$1,000 and authorized multiples thereof.

The Secured Debentures, Series A are redeemable for sinking fund purposes as to \$500,000 principal amount on or before October 1 in each of the years 1970 to 1977 inclusive but are not redeemable otherwise than out of such sinking fund or at stated maturity.

The Secured Debentures, Series A are secured by (i) a fixed and specific mortgage, hypothec, pledge and charge upon specific lands, subject only to Prior Mortgages, permitted mortgages, permitted encumbrances and minor title defects (as such terms are defined in the trust deed) and leases, and (ii) a first floating charge on the undertaking and all other property and assets of the Company.

The trust deed contains a covenant of the Company to the effect that, so long as any of the Secured Debentures, Series A are outstanding, the Company will not create or issue or become liable on any Senior Debt or Additional Debentures (as such terms are defined in the trust deed) unless the aggregate principal amount of all indebtedness for borrowed money to be outstanding immediately thereafter which, or a guarantee of which, is secured by encumbrances on real or movable property owned by the Company, ranking *pari passu* with or in priority to the lien of the trust deed, will not exceed 3 times the total of the consolidated net tangible assets and the aggregate principal amount of Subordinated Debt (as such terms are defined in the trust deed). Such covenant also provides that whenever and so long as the total amount of consolidated retained earnings and paid-up capital is less than \$8,000,000, the aggregate principal amount at any time outstanding of all indebtedness of the Company and its subsidiaries (excluding Debentures issued under the trust deed) shall not exceed an amount equal to 80% of consolidated gross tangible assets (as such term is defined in the trust deed).

Additional Secured Debentures may from time to time be issued under the trust deed without limitation as to aggregate principal amount, subject to the terms and conditions of the trust deed. All Secured Debentures issued under the trust deed rank or will rank *pari passu*.

Reference is made to the subheading "Interest of Management and Others in Material Transactions" on page 12.

THE SHARES

The authorized capital of the Company is divided into 1,000,000 Non-voting Senior Preference Shares with a par value of \$10 each (the "Senior Preference Shares"), issuable in series, of which 400,000 shares are to be issued as the first series, designated as 7½% Cumulative Redeemable Series A Non-voting Senior Preference Shares (the "Series A Preference Shares"), 290,245 Non-voting Participating Convertible Junior Preference Shares with a par value of \$2.50 each (the "Junior Preference Shares") and 709,755 Common Shares without par value (the "Common Shares"). The full text of the provisions attaching to the Senior Preference Shares, the Series A Preference Shares, the Junior Preference Shares and the Common Shares are set forth in the "Schedule of Share Provisions" beginning on page 23, and a brief summary of these provisions is set forth below.

Series A Preference Shares

Dividends—The holders of the Series A Preference Shares will be entitled to receive as and when declared by the board of directors, fixed cumulative preferential cash dividends at the rate of 7½% per annum, payable on the first day of January, April, July and October in each year, the first of such dividend payment dates to be April 1, 1969.

Rights on Liquidation—In the event of the liquidation, dissolution or winding up of the Company or other distribution of its assets among the shareholders by way of repayment of capital, the holders of the Series A

Preference Shares shall be entitled to receive the amount paid up thereon together with all unpaid cumulative dividends accrued thereon, which for such purpose shall be treated as accruing up to the date of such distribution, before any amount shall be paid to or any property or assets of the Company distributed to the holders of shares of any class ranking junior to the Series A Preference Shares; thereafter, the holders of the Series A Preference Shares shall not be entitled to share in any further distribution of property or assets of the Company.

Redemption—The Company may at any time redeem the whole or from time to time any part of the then outstanding Series A Preference Shares on thirty (30) days' notice on payment for each share to be redeemed of the amount paid up thereon together with a premium of 6% thereof and all unpaid cumulative dividends accrued thereon, which shall for such purpose be treated as accruing up to the date of such redemption.

Purchase for Cancellation—The Company may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A Preference Shares outstanding from time to time at a price not exceeding the amount paid up thereon together with a premium of 6% thereof plus costs of purchase and all unpaid cumulative dividends accrued thereon, which shall for such purpose be treated as accruing up to the date of such purchase.

Purchase Fund—The Company annually shall purchase for cancellation (if obtainable) in the market an aggregate of 4,000 Series A Preference Shares. Series A Preference Shares purchased for cancellation or redeemed shall constitute a credit against such purchase fund obligation.

Voting Rights—The holders of the Series A Preference Shares shall not, as such, have any voting rights nor shall they be entitled to receive notice of or attend shareholders' meetings except that they shall be entitled to notice of meetings of shareholders to authorize the dissolution of the Company or the sale of its undertaking or a substantial part thereof.

Restrictions on Payment of Dividends, Redemptions, Etc.—The Company is restricted from paying dividends (other than stock dividends) on shares ranking junior to the Senior Preference Shares and from redeeming, purchasing for cancellation or otherwise paying off any Senior Preference Shares or shares ranking junior to the Senior Preference Shares, if dividends on any outstanding Senior Preference Shares are in arrears. Further, the Company is restricted from paying any such dividends (other than stock dividends) or redeeming, purchasing or otherwise paying off any shares ranking junior to the Series A Preference Shares otherwise than out of consolidated net earnings available for dividends subsequent to October 1, 1968 plus the net proceeds from any issue of shares ranking junior to the Series A Preference Shares.

Variation of Rights—The authorization for an application for the issue of supplementary letters patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Series A Preference Shares or to create preference shares ranking in priority to or on a parity with the Series A Preference Shares, in addition to the requisite authorization by special resolution, may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Series A Preference Shares duly called for that purpose.

Junior Preference Shares

Dividends—Whenever in any fiscal year of the Company the cumulative dividends (and all arrears, if any, of such cumulative dividends) on the Senior Preference Shares have been declared and paid or set aside for payment on all Senior Preference Shares at the time outstanding, any and all further dividends declared in such year shall be declared and paid or set aside for payment in equal amounts per share on all Junior Preference Shares and Common Shares at the time outstanding without preference or distinction between the Junior Preference Shares and the Common Shares.

Voting Rights—The holders of the Junior Preference Shares shall not, as such, have any voting rights for the election of directors or for any other purpose nor shall they be entitled to attend shareholders' meetings except that they shall be entitled to notice of meetings of the shareholders to authorize the dissolution of the Company or the sale of its undertaking or a substantial part thereof.

Rights on Liquidation—In the event of the liquidation, dissolution or winding up of the Company or other distribution of its assets among shareholders by way of repayment of capital, after the payment to the holders of the Senior Preference Shares referred to above, the holders of the Junior Preference Shares shall be entitled to receive an amount per share equal to the amount paid up thereon in priority to any distribution to the holders of the Common Shares; thereafter, the holders of the Common Shares shall be

entitled to receive an amount per share equal to the aggregate amount paid to or received by the Company on the issue of the outstanding Common Shares divided by the number of Common Shares; thereafter, all the remaining property and assets of the Company shall be distributed in equal amounts per share to the holders of the outstanding Junior Preference Shares and Common Shares without preference or distinction.

Conversion Rights—The Junior Preference Shares, or any of them, may be converted at any time into fully paid Common Shares of the Company on the basis of one Common Share for one Junior Preference Share. Such conversion privilege is subject to adjustment in certain circumstances such as subdivision or consolidation of Common Shares.

Pre-emptive Rights—If subscription warrants or other rights to purchase shares are issued or stock dividends are paid to the holders of Junior Preference Shares, similar warrants, rights or stock dividends must be issued or paid to the holders of the Common Shares and vice versa.

Variation of Rights—The authorization for an application for the issue of supplementary letters patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Junior Preference Shares or to create preference shares ranking in priority to or on a parity with the Junior Preference Shares, in addition to the requisite authorization by special resolution, may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Junior Preference Shares duly called for that purpose.

Common Shares

Subject to the preferences described above attaching to the Senior Preference Shares and the Junior Preference Shares, the Common Shares and Junior Preference Shares rank equally in respect of dividends and upon the winding up or dissolution of the Company. Each Common Share entitles the holder thereof to one vote at all meetings of shareholders.

MANAGEMENT AND PRINCIPAL SHAREHOLDERS

Directors and Officers

The full names and home addresses of and positions held with the Company by the directors and officers of the Company are set forth below:

MORRIS EMER.....	42 Ridelle Avenue,.....	Director and President
	Toronto, Ontario	
JOSEPH GODFREY.....	26 Deepwood Crescent,.....	Director, Executive Vice-President and
	Toronto, Ontario	Secretary-Treasurer
DONALD CARR, Q.C.....	35 Avenal Drive,.....	Director
	Toronto, Ontario	
BERKO DEVOR, Q.C.....	31 Vesta Drive,.....	Director
	Toronto, Ontario	
MAXWELL GOLDHAR.....	124 Old Forest Hill Road,.....	Director
	Toronto, Ontario	
ROBERT WILLIAM MACAULAY, Q.C..	88 Elm Avenue,.....	Director
	Toronto, Ontario	
ALEX J. RUBIN.....	47 Hilltop Road,.....	Director
	Toronto, Ontario	
HARRY H. RUBIN.....	126 Dunvegan Road,.....	Director and Assistant-Treasurer
	Toronto, Ontario	
ROBERT CHARLES STONE, C.F.A..	32 Forestbrook Crescent,.....	Director
	Agincourt, Ontario	
WILLIAM HULSMAN.....	Watch Hill Road,.....	Assistant-Secretary
	R.R. No. 1, King City,	
	Ontario	

Morris Emer, since 1952 has been president of Emer Construction Limited, a company engaged in the business of developing real estate and the construction of houses. In 1964, upon the formation of Victoria Wood Homes, Mr. Emer assumed responsibility, along with Mr. Godfrey, for the overall direction of the activities of Victoria Wood Homes.

Joseph Godfrey, since 1953 has been the president of Godfrey and Cappe Limited, a company engaged in the business of developing real estate and constructing house units. In 1964, upon the formation of Victoria Wood Homes, Mr. Godfrey assumed the responsibility, along with Mr. Emer, of the general management of Victoria Wood Homes.

Donald Carr has been a partner in the law firm of Messrs. Goodman and Carr since 1965. Prior to that date, Mr. Carr was a partner in the law firm of Messrs. Cohen, Carr, Casse and Fine, a predecessor of the firm of Messrs. Goodman and Carr.

Berko Devor is a director and senior vice-president of Revenue Properties Company Limited, a company actively engaged in the development and construction of houses, industrial buildings, commercial projects and apartment buildings in Canada and the United States.

Maxwell Goldhar is a director and president of First Canada Financial Corporation Limited, a company rendering investment counsel.

Robert William Macaulay, from 1958 to 1963 was a Minister of the Crown in the right of the Province of Ontario. Since 1963, he has been a senior partner in the law firm of Messrs. Thomson, Rogers, Toronto.

Alex J. Rubin is a director, chairman of the board of directors and president of Revenue Properties Company Limited.

Harry H. Rubin is a director and executive vice-president of Revenue Properties Company Limited.

Robert Charles Stone has, since 1963, been a director of F. H. Deacon & Company Limited, investment dealer and stock broker and a vice-president of that company since June, 1968. Mr. Stone is also a director of Revenue Properties Company Limited.

William Hulsman has been comptroller of Victoria Wood Homes since 1965. Prior to that date, Mr. Hulsman was assistant comptroller of Revenue Properties Company Limited.

Remuneration of Directors and Senior Officers

It is estimated that for the 12 month period ending August 31, 1969, the aggregate direct remuneration payable to the directors and senior officers of the Company will be approximately \$127,000.

Principal Holders of Securities

The following table lists the only shareholders of the Company owning of record or known to the Company to own beneficially, either directly or indirectly, more than 10% of the equity shares (as that term is defined within the meaning of applicable securities legislation) of the Company at November 22, 1968. For purposes of the following table, the Junior Preference Shares have been included as equity shares because they are convertible at any time, on a share for share basis, into Common Shares of the Company.

Name and Address	Type of ownership ⁽³⁾	Number of Common Shares owned	Number of Junior Preference Shares owned	Percentage of Common Shares	Percentage of Common Shares assuming full conversion of Junior Preference Shares	
					as at November, 22, 1968	after giving effect to the financing
Revenue Properties Company Limited 12 Sheppard Street, Toronto, Ontario	Of record and beneficial	354,875		69.62%	44.36%	35.48% ⁽⁴⁾
Morris Emer Investments Limited ⁽¹⁾ 44 Victoria Street, Toronto, Ontario	Of record and beneficial	32,315	145,122	6.34%	22.18%	17.74%
Joseph Godfrey Investments Limited ⁽²⁾ 44 Victoria Street, Toronto, Ontario	Of record and beneficial	32,315	145,123	6.34%	22.18%	17.74%

NOTES:

- (1) Morris Emer Investments Limited is a company controlled by Morris Emer, a director and officer of the Company and all of the outstanding shares thereof are beneficially owned by him and members of his family. Thus, the shares owned by this company are deemed to be beneficially owned by Morris Emer within the meaning of applicable securities legislation.
- (2) Joseph Godfrey Investments Limited is a company controlled by Joseph Godfrey, a director and officer of the Company and all of the outstanding shares thereof are beneficially owned by him and members of his family. Thus, the shares owned by this company are deemed to be beneficially owned by Joseph Godfrey within the meaning of applicable securities legislation.
- (3) The information in this table does not reflect the ownership of record by directors of qualifying shares.
- (4) The information in this table does not include the proposed purchase by Revenue Properties Company Limited of approximately 90,000 Units being offered under this prospectus. Were these additional Units to be included, then, assuming full conversion of Junior Preference Shares, Revenue Properties Company Limited would own 44.49% of the Common Shares after giving effect to the financing.

Under an agreement dated November 21, 1968 between Revenue Properties Company Limited, Morris Emer Investments Limited, Joseph Godfrey Investments Limited, Morris Emer and Joseph Godfrey, the parties agreed:

- (i) that during a prescribed period, they will vote the 419,505 Common Shares held by them and any Common Shares into which the 290,245 Junior Preference Shares held by them may be thereafter converted, so as to elect as a majority of the board of directors of the Company persons nominated by Joseph Godfrey and Morris Emer, or the survivor thereof, and to elect as the remaining members of the board of directors of the Company persons nominated by Revenue Properties Company Limited;
- (ii) that during a prescribed period, (subject to (iii) and (iv) below) before the sale or conversion of any Junior Preference Shares by the present owners of such shares, Revenue Properties Company Limited shall have first right to purchase such shares at a price based on the then current market averages;
- (iii) that during a prescribed period, Morris Emer Investments Limited and Joseph Godfrey Investments Limited shall have a right to call upon Revenue Properties Company Limited to purchase all or a part of their Common Shares or Junior Preference Shares at a price of \$12.50 per share and that Revenue Properties Company Limited, in the event of such a call, in lieu of purchasing shares as aforesaid, can require the party exercising such right to purchase an equal number of its Common Shares at a price of \$2.50 per share plus the portion of consolidated net earnings of the Company attributable to such share; and
- (iv) that, (subject to (iii) above) Morris Emer Investments Limited and Joseph Godfrey Investments Limited shall not sell more than 177,000 of their Common Shares or Junior Preference Shares, in the aggregate, until September 1, 1973 and thereafter they shall not sell more than 35,400 of their Common Shares or Junior Preference Shares, in the aggregate, in any of the next succeeding five years except with the consent of Revenue Properties Company Limited or except upon the occurrence of certain events therein provided.

These arrangements continue until September 1, 1978, unless earlier terminated by the occurrence of various events as set out in the agreement. This agreement contains other provisions necessary to implement the above arrangements. A copy of the agreement may be inspected at the head office of the Company during normal business hours during the period of primary distribution.

Under an agreement dated November 21, 1968, Morris Emer Investments Limited and Joseph Godfrey Investments Limited agreed upon the manner in which, as between them, shares of the Company may be sold or dealt with in compliance with the arrangements contemplated in the agreement referred to above.

The numbers of Common and Junior Preference shares of the Company beneficially owned directly or indirectly by all directors and senior officers of the Company as a group at November 22, 1968 were as follows:

<u>Class of shares</u>	<u>Number of shares owned</u>	<u>Percentage of class</u>	<u>Percentage of class⁽¹⁾</u>
Common Shares	69,630	13.66%	} 44.98%
Junior Preference Shares	290,245	100%	

- (1) assuming full conversion of Junior Preference Shares into Common Shares.

Escrowed Shares

Designation of Class	Number of Shares held in Escrow	Percentage of Class
Junior Preference Shares	290,245	100%
Common Shares	309,755	43%

The total of 290,245 Junior Preference Shares and 309,755 Common Shares, being 60% of the Common Shares to be outstanding on completion of the sale of shares offered by this prospectus and assuming full conversion of Junior Preference Shares into Common Shares, are held in escrow by Montreal Trust Company, 15 King Street West, Toronto, subject to release, transfer, hypothecation or other alienation only upon the prior written consent of the Company and the Ontario Securities Commission. The said shares are beneficially owned as follows: Revenue Properties Company Limited, 300,000 Common Shares, Morris Emer Investments Limited, 145,122 Junior Preference Shares, 4,878 Common Shares and Joseph Godfrey Investments Limited, 145,123 Junior Preference Shares, 4,877 Common Shares.

Interest of Management and Others in Material Transactions

Reference is made to the subheading "Acquisition of Victoria Wood Homes" on page 4, concerning the acquisition by the Company of substantially all of the undertaking, property and assets formerly owned by Victoria Wood Homes. Reference is also made to the agreements described in paragraphs (d) and (e) under the heading "Material Contracts" on page 14. Victoria Wood Homes is a limited partnership registered under the laws of the Province of Ontario, consisting of Victoria Wood Limited, 1801 Eglinton Avenue West, Toronto, Ontario as the sole general partner and the trustees of several trusts as limited partners.

Leon Emer and Harold Lipton, 31 Medalist Road, Metropolitan Toronto, Ontario, as trustees of a trust established for the benefit of Shirley Emer, wife of Morris Emer, have a 13.33% interest in Victoria Wood Homes and as trustees of a trust established for the benefit of Morris Emer, have a 13.33% interest in Victoria Wood Homes. Rose Godfrey and Harold Lipton, 26 Deepwood Crescent, in Metropolitan Toronto, Ontario, as trustees of a trust established for the benefit of Joseph Godfrey, have a 15% interest in Victoria Wood Homes. Victoria Wood Limited has a 20% interest in Victoria Wood Homes. Morris Emer, indirectly, has a 33.33% interest in the outstanding shares of Victoria Wood Limited and Joseph Godfrey, indirectly, has an 18.75% interest in the said shares.

Through their various interests, direct and indirect, in Victoria Wood Homes, Morris Emer and his family, directly or indirectly, will receive \$1,422,524, being 33.33% of that part of the purchase price payable in cash by the Company to Victoria Wood Homes as part of the abovementioned acquisition and Joseph Godfrey and his family, directly or indirectly, will receive \$800,170, being 18.75% of such cash amount.

The purchase price for the acquisition by the Company of substantially all the undertaking, assets and property of Victoria Wood Homes was established by negotiation between Revenue Properties Company Limited and Victoria Wood Homes, dealing at arms length.

Various interests in real estate acquired by the Company as part of the acquisition from Victoria Wood Homes were purchased by Victoria Wood Homes within the last two years. These assets were acquired in the ordinary course of business of Victoria Wood Homes and, in the aggregate, the cost of these assets, including carrying charges consisting of interest on mortgages and realty taxes, was \$16,194,196. The portion of the aggregate purchase price payable by the Company as part of the acquisition, attributable to these specific lands, is \$18,042,996.

Included among the assets purchased from Victoria Wood Homes are certain lands situate in the Town of Mississauga. These lands were originally acquired by Victoria Wood Homes from Rubin Corporation Limited, a wholly-owned subsidiary of Revenue Properties Company Limited, at a cost of \$4,625,000. Rubin Corporation Limited has retained an option to re-acquire a 75% interest in these lands. Reference is made to note 3 to the accompanying pro forma balance sheet of the Company as at September 1, 1968.

Under agreements dated November 21, 1968, each of Joseph Godfrey and Morris Emer were employed by the Company for a period of ten years at an annual salary of \$40,000.

Revenue Properties Company Limited, Morris Emer Investments Limited, Joseph Godfrey Investments Limited, Joseph Godfrey and Morris Emer entered into an agreement dated November 21, 1968, particulars of which are referred to under the subheading "Principal Holders of Securities" on page 10.

Under an agreement dated November 21, 1968, Morris Emer Investments Limited and Joseph Godfrey Investments Limited entered into certain arrangements particulars of which are referred to under the sub-heading "Principal Holders of Securities" on page 10.

The Company is the lessee of its head office and principal office premises at 1801 Eglinton Avenue West, Toronto, Ontario, comprising 2,200 sq. ft., at an annual rental of \$3,168. Morris Emer, indirectly, owns a 10% interest in this property and Joseph Godfrey, indirectly, owns a 10% interest in this property.

Morris Emer and Joseph Godfrey have granted an option dated November 22, 1968, to the Company to acquire their interest in an agreement dated November 22, 1968, between Morris Emer, Joseph Godfrey, Victoria Wood Homes and Victoria Wood Limited. Under the terms of this latter agreement, Morris Emer and Joseph Godfrey have agreed to provide financial assistance to Victoria Wood Homes and/or Victoria Wood Limited, as the case may be, in connection with a development in which Victoria Wood Homes and Victoria Wood Limited will continue to participate. In return for such assistance, Morris Emer and Joseph Godfrey will be entitled to receive certain payments based on the progress and financial success of this development. In consideration for the grant of this option, the Company has agreed to lend to Morris Emer and Joseph Godfrey, during the term of the option, all moneys required by them to provide the aforementioned financial assistance. The Company is entitled to exercise this option at any time until November 21, 1969 and is entitled to renew the option if it so desires for a further period of twelve months. If the Company does not exercise the option, then Morris Emer and Joseph Godfrey are obliged to repay forthwith to the Company any moneys advanced to them by the Company during the option period. The amount of moneys advanced to Morris Emer and Joseph Godfrey as at September 1, 1968, pursuant to this agreement, was \$253,249 and the amount which the Company may become obliged to advance thereafter during the option period, including renewal, is \$511,410. If construction commences on this project, further amounts may be required for construction, which amounts cannot be determined accurately at this date.

Reference is made to the sale of \$5,000,000 principal amount of 8% Sinking Fund Secured Debentures, Series A by the Company to Revenue Properties Company Limited, particulars of which are set forth under the heading "Attributes of Sinking Fund Secured Debentures, Series A" on page 7. By letter agreement dated November 22, 1968, the Company has agreed:

- (i) To bear any underwriter's discount or commission, not to exceed 4% of the principal amount sold, incurred by Revenue Properties Company Limited on the sale by it of the said Debentures, the intention of Revenue Properties Company Limited being that it will endeavour to sell such Debentures through an underwriter or otherwise;
- (ii) In the event of the sale of the Debentures by Revenue Properties Company Limited, to adjust the amounts of principal and interest from time to time payable, to reflect changes in currency exchange rates of either the U.S. Dollar or the Deutsche Mark, provided that no such increase or decrease shall exceed 10% of the amount which would otherwise be payable; and
- (iii) To permit certain additional properties to be made subject to the specific charge under the Debenture security.

The Company has also agreed that, if requested by a subsequent purchaser of the Debentures, it will increase the sinking fund payments under the Debentures in the event of certain changes in the tax treaty between the Federal Republic of West Germany and the Government of Canada, provided however that Revenue Properties Company Limited advances to the Company the additional monies required to meet the accelerated payments.

Revenue Properties Company Limited intends to purchase from the Underwriter approximately 90,000 of the Units being offered under this prospectus at the issue price and further intends to resell some or all of the Series A Preference Shares forming the said Units, subject to compliance with applicable securities legislation.

Reference is made to the subscription for shares in the Company by Revenue Properties Company Limited, Morris Emer Investments Limited, Joseph Godfrey Investments Limited and First Canada Financial Corporation Limited, (a company deemed to be beneficially owned by Maxwell Goldhar, one of the directors of the Company, within the meaning of applicable securities legislation) referred to under the subheading "Prior Sales" on page 14.

Promoters

Morris Emer, Joseph Godfrey and Revenue Properties Company Limited took the initiative in founding and organizing the Company and are therefore promoters of the Company within the meaning of applicable securities legislation.

Prior Sales

On November 22, 1968 the Company issued for cash 509,755 Common Shares and 290,245 Junior Preference Shares at a price of \$2.50 per share to the following: Revenue Properties Company Limited, 354,875 Common Shares; Morris Emer Investments Limited, 145,122 Junior Preference Shares and 32,315 Common Shares; Joseph Godfrey Investments Limited, 145,123 Junior Preference Shares and 32,315 Common Shares; Jack Kamin, 28,000 Common Shares; Victor Giblon, 11,250 Common Shares; Rose Blackstien, and Sol Mintz, trustees of the Samuel Blackstien Grand Trust, 15,000 Common Shares; Sophie Blackstein and Sol Mintz, trustees of the Max Blackstein Alive Trust, 15,000 Common Shares; Nathan Godfrey, 16,000 Common Shares; and First Canada Financial Corporation Limited, 5,000 Common Shares.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Company within the two years prior to the date of this prospectus are the following:

- (a) Underwriting agreement dated January 22, 1969 between the Company and F. H. Deacon & Company Limited referred to under the heading "Plan of Distribution";
- (b) Trust deed dated as of November 1, 1968 made between the Company and Montreal Trust Company, as trustee, providing for the issuance of Sinking Fund Secured Debentures of the Company, which trust deed is referred to under the heading "Attributes of Sinking Fund Secured Debentures, Series A";
- (c) Agreement dated as of August 31, 1968 between the Company and Victoria Wood Homes whereby the Company acquired substantially all of the undertaking, assets and property of Victoria Wood Homes referred to under the subheading "Acquisition of Victoria Wood Homes" and the subheading "Interest of Management and Others in Material Transactions";
- (d) Agreement dated November 22, 1968 between the Company, Victoria Wood Homes, Victoria Wood Limited, Morris Emer and Joseph Godfrey whereby the Company agreed to provide financial assistance to Victoria Wood Homes in connection with a project of Victoria Wood Homes which was not sold to the Company. Under the terms of this agreement, the Company has agreed to advance to Victoria Wood Homes an amount equal to the present investment of Victoria Wood Homes in this project, namely \$30,000, to advance any future moneys required to complete its development and to indemnify Victoria Wood Homes against any losses which it may suffer in connection with this project. In return, the Company will be entitled to receive, as when and to the extent that moneys are available for payment of same, (i) interest at bank rates on all moneys advanced in the future to Victoria Wood Homes, and (ii) an amount equal to 50% of any profits derived by Victoria Wood Homes from this project;
- (e) Agreement dated November 22, 1968 between the Company and Harold Lipton and Leon Emer, as trustees of the Morris Emer Trust, Harold Lipton and Leon Emer, as trustees of the Shirley Emer Trust, Harold Lipton and Rose Godfrey, as trustees of the Joseph Godfrey Trust, Harold Lipton and Mary Godfrey, as trustees of the Nathan Godfrey Trust, Emer Construction Company Limited, Overton Construction Company Limited and Obab Investments Limited, whereby, for a nominal consideration, the Company became entitled to an amount equal to all of the profits derived by the aforementioned parties (other than the Company), directly or indirectly, from certain projects carried on by Victoria Wood Homes after September 1, 1968, being substantially the project referred to in subparagraph (d) above. The aforementioned parties (other than the Company) are partners in Victoria Wood Homes or are shareholders of Victoria Wood Limited, the general partner in Victoria Wood Homes. The effect of this arrangement is that the Company is entitled to receive an amount equal to 70.83% of the profits to be earned by Victoria Wood Homes from these projects after September 1, 1968 (after deducting the amounts referred to in subparagraph (d) above). In consideration therefor, the Company has agreed to indemnify the

aforementioned partners and shareholders for any losses which may be sustained by such parties after September 1, 1968 attributable to these projects. The Company is not a partner in Victoria Wood Homes nor a shareholder in Victoria Wood Limited;

- (f) Option agreement dated November 22, 1968 between the Company and Morris Emer and Joseph Godfrey, whereby the Company became entitled to acquire the interest of Morris Emer and Joseph Godfrey in an agreement dated November 22, 1968 between Morris Emer, Joseph Godfrey, Victoria Wood Homes and Victoria Wood Limited, referred to under the subheading "Interest of Management and Others in Material Transactions";
- (g) Employment agreements dated November 21, 1968 between the Company and Joseph Godfrey and the Company and Morris Emer referred to under the subheading "Interest of Management and Others in Material Transactions";
- (h) Letter agreement dated November 22, 1968 between the Company and Revenue Properties Company Limited, concerning the Debentures, referred to under the subheading "Interest of Management and Others in Material Transactions";
- (i) Agreement dated February 3, 1969 between the Company, Revenue Properties Company Limited, Morris Emer Investments Limited, Joseph Godfrey Investments Limited and Montreal Trust Company, referred to under the heading "Escrowed Shares".

Copies of the foregoing contracts may be examined at the head office of the Company during the period of primary distribution of the securities offered hereby and for a period of 30 days thereafter.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Laventhol Krekstein Horwath & Horwath, Chartered Accountants, 160 Bloor Street East, Toronto 5, Ontario.

The Transfer Agent and Registrar for the Series A Preference Shares and the Common Shares of the Company is Montreal Trust Company at its principal offices in Toronto and Montreal.

VICTORIA WOOD DEVELOP

Pro Forma Balance Sh

ASSETS

Cash (note 1).....	\$ 8,230,373	
Real Estate:		
Land under development (note 2).....	\$ 2,510,992	
Land and improvements not yet under development (note 3).....	13,564,685	
Leasehold interest, at cost (note 4).....	<u>514,209</u>	16,589,886
Mortgages and accounts receivable.....		326,472
Equity in and advances to partnerships (note 5).....		282,771
Investments in and advances to associated companies (note 6).....		1,203,387
Loans receivable (note 7).....		283,249
Sundry assets and prepaid expenses.....		135,712
Costs of acquisition and financing (note 1).....		350,000

\$27,401,850

Approved on behalf of the Board of Directors:

(signed) MORRIS EMER, Director

(signed) HARRY RUBIN, Director

See acco

NT CORPORATION LIMITED

as at September 1, 1968

LIABILITIES

Accounts payable and accrued liabilities.....	\$ 963,018
Mortgages payable and balances owing on agreements of sale (note 8).....	12,228,313
8% sinking fund secured debentures, series A (notes 1 and 9).....	5,000,000
Notes payable (note 10).....	76,732
8% note payable (note 1).....	2,133,787
	<hr/>
	\$20,401,850

SHAREHOLDERS' EQUITY

Capital (notes 1 and 11)

Authorized:

1,000,000 Non-voting senior preference shares with a par value of
\$10 each, issuable in series

290,245 Non-voting participating convertible junior preference
shares with a par value of \$2.50 each

709,755 Common shares without par value

Issued:

400,000 7½% cumulative redeemable Series A non-voting senior preference shares.....	\$ 4,000,000	
290,245 Non-voting participating convertible junior preference shares.....	725,612	
709,755 Common shares without par value.....	2,274,388	7,000,000
	<hr/>	<hr/>
		\$27,401,850

VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED

Notes to Pro Forma Balance Sheet as at September 1, 1968

1. The pro forma balance sheet gives effect to the following transactions as if they had occurred on September 1, 1968:
 - (a) The issue of supplementary letters patent dated October 21, 1968 under the laws of the Province of Ontario to Dulcimer Limited. Dulcimer Limited was incorporated on April 27, 1967 under the laws of the Province of Ontario as a private company. Prior to the acquisition of substantially all of the business of Victoria Wood Homes, the Company did not carry on any activity. The supplementary letters patent (1) convert the Company into a public company, (2) change its objects to those of a real estate development company, (3) change its name to Victoria Wood Development Corporation Limited and (4) reorganize its authorized and issued capital;
 - (b) The issue and sale for cash of \$5,000,000 principal amount of 8% sinking fund secured debentures, series A, maturing October 1, 1978;
 - (c) The issue and sale for cash of 509,755 common shares for a consideration of \$1,274,388 and 290,245 non-voting junior preference shares for a consideration of \$725,612;
 - (d) The issue and sale to an underwriter for cash of 200,000 common shares for a consideration of \$1,000,000 and 400,000 7½% cumulative redeemable series A non-voting senior preference shares for a consideration of \$4,000,000;
 - (e) The purchase of substantially all of the undertaking, property and assets as at September 1, 1968 of the limited partnership known as Victoria Wood Homes for \$18,460,594 (which assets had a book value of \$16,460,594) payable as follows:
 - (i) as to \$14,193,021 by the assumption of certain liabilities of the limited partnership as of September 1, 1968;
 - (ii) as to \$2,133,786 by the payment in cash on closing together with interest thereon at 8% per annum from September 1, 1968 until closing on \$4,267,573;
 - (iii) as to \$2,133,787 by the issuance of a promissory note due and payable on April 1, 1969 together with interest thereon at 8% per annum;
 - (f) The payment of acquisition costs of approximately \$50,000 and financing expenses, including underwriter's commission, of approximately \$300,000;
 - (g) The repayment of bank indebtedness in the amount of \$924,957, and
 - (h) The advances of \$30,000 and \$253,249 referred to in note 7.

As a result of the foregoing, the pro forma cash balance of the Company as at September 1, 1968 is \$8,230,373.

2. Land under development:

Land, improvements and buildings both under construction and completed, at the lower of cost and net realizable value.....	\$3,027,959
Less mortgage advances received.....	516,967
	<u>\$2,510,992</u>

3. Option on certain lands:

Land included in "Land and improvements not yet under development" in the amount of \$3,468,750 is subject to an option to purchase at the Company's original cost plus carrying charges and all other amounts paid or incurred by the Company in acquiring the said lands and in preparing, planning and carrying out any developments of the same. The option is open for acceptance up to but not after June 15, 1970 or until 30 days after the optionee has been notified that the first plan of subdivision for at least fifty acres has been approved by municipal authorities, whichever is the earlier.

4. Leasehold Interest:

The Company has an agreement to lease certain lands for a period of 75 years at a minimum annual rent of \$95,000. On these lands, the Company is obligated to complete at its own cost, a residential and commercial development. The Company is obligated to pay an additional annual rent of 5% of all gross annual revenue in excess of \$1,650,000 derived from the property. Until the construction is substantially completed, the Company is entitled to pay reduced rent as follows: from January 1, 1968 to the commencement of construction—25% of the minimum annual rent as aforesaid; during construction to substantial completion—50% of the minimum annual rent as aforesaid.

5. Equity in and advances to partnerships:

The Company reflects only its share of profits and losses in undertakings in which it has a partnership interest and the Company's portion of the assets and liabilities of such partnership interests are not reflected in these financial statements. In each case, the Company is liable for all of each such partnership's liabilities; however, in these circumstances, it has recourse to all of each such partnership's assets, as well as the assets of the other partners, to discharge these liabilities.

6. Investments in and advances to associated companies, at cost:

The investments represent a 50% share interest in each of two land development companies.	
Cost of shares.....	\$ 698,732
Advances—partially secured by mortgages on certain lands owned by one of the affiliates.....	504,655
	<u>\$1,203,387</u>

7. Loans receivable:

The Company has entered into an agreement with Victoria Wood Homes to provide financial assistance in connection with a certain continuing project of Victoria Wood Homes. Under the terms of this agreement, the Company is entitled to receive

- (i) interest at bank rates on all additional moneys advanced by it to the Company and
- (ii) an amount equal to 50% of any

profits derived by Victoria Wood Homes from this continuing project. The aggregate amount advanced by the Company to Victoria Wood Homes to date pursuant to this agreement is \$30,000.

In addition to the foregoing, the Company has the benefit of a covenant from certain of the partners in Victoria Wood Homes and certain of the shareholders in Victoria Wood Limited to pay to the Company an amount equal to all profits to be derived by them from certain of the continuing projects of Victoria Wood Homes after September 1, 1968 and the Company has agreed to indemnify the aforementioned parties for any and all losses which may be sustained by these parties after September 1, 1968 as a result of these said projects. The effect of this covenant is to entitle the Company to receive an amount equal to 70.83% of the profits derived by Victoria Wood Homes for the period after September 1, 1968 in respect of these specific projects, after giving effect to the payments referred to in the preceding paragraph.

Morris Emer and Joseph Godfrey have granted to the Company an option to acquire their interest in a certain agreement between Morris Emer, Joseph Godfrey, Victoria Wood Homes and Victoria Wood Limited. Under the terms of this latter agreement, Morris Emer and Joseph Godfrey have agreed to provide financial assistance to Victoria Wood Homes and/or Victoria Wood Limited, as the case may be, in connection with a continuing development project and Morris Emer and Joseph Godfrey are entitled to receive in return certain payments based on the progress and financial success of this development. In consideration of the grant of this option, the Company has agreed, during the option period, to advance to Morris Emer and Joseph Godfrey all moneys required by Morris Emer and Joseph Godfrey necessary to provide financial assistance pursuant to the aforementioned agreement. This option may be exercised by the Company at any time up to November 21, 1969 and may be renewed by the Company for a further period of 12 months. The amount advanced to Morris Emer and Joseph Godfrey pursuant to this option agreement as at September 1, 1968 was \$253,249 and the amount which the Company may become obliged to advance thereafter during the option period, including renewal, is \$511,410. If construction commences on this project, further amounts may be required for construction, which amounts cannot be determined accurately at this date. If the Company does not exercise the option, then Morris Emer and Joseph Godfrey are obliged to repay forthwith to the Company any moneys advanced to them by the Company.

8. *Mortgages payable and balances owing on agreements of sale:*

These mortgages payable and balances owing on agreements of sale bear interest at rates ranging from 0% to 8% per annum and are repayable as to principal approximately as follows:

Twelve months ending August 31,

1969.....	\$ 4,690,089
1970.....	367,400
1971.....	1,132,903
1972.....	744,047
1973.....	4,769,655
1974.....	19,972
1975.....	11,933
1976.....	232,299

Subsequent to August 31, 1976..... 260,015

Partial discharges of liens may be obtained on payment of varying amounts per lot.

\$12,228,313

9. *8% Sinking Fund Secured Debentures, Series A:*

The trust deed dated as of November 1, 1968 provides for the issuance of \$5,000,000 principal amount of 8% sinking fund secured debentures, series A maturing October 1, 1978, and bearing interest at the rate of 8% per annum payable half-yearly on the 1st day of April and October in each year. The debentures are non-callable except for sinking fund purposes which require sinking fund payments commencing in 1970 at the rate of \$500,000 per annum. The debentures are secured by a mortgage on certain specific properties of the Company and a first floating charge on all of the other assets of the Company. The debentures were issued and sold on November 22, 1968 and the Company realized the sum of \$5,000,000 as proceeds from the said sale, provided, however, that in the event of resale of the debentures, the Company has agreed to bear any underwriter's discount up to a maximum of 4% of the principal amount of debentures resold.

Additional debentures may be issued under the trust deed without limitation as to aggregate principal amount.

10. *Notes payable:*

These notes bear interest at rates ranging from 7% to 11% and are repayable as to principal approximately as follows:

12 months ending August 31, 1969.....	\$11,866
1970.....	64,866
	<u>\$76,732</u>

11. *Capital:*

7½% cumulative redeemable Series A non-voting senior preference shares.

The Company may at any time redeem the whole or from time to time any part of the then outstanding Series A Preference Shares on thirty days' notice at par plus a premium of 6 per cent thereof and all unpaid cumulative dividends.

The Company shall purchase for cancellation (if obtainable) in the market in each year 4,000 Series A Preference shares at a price not exceeding the price at which such Series A Preference Shares may be redeemed. Series A Preference shares purchased or redeemed shall constitute a credit against such purchase fund obligation.

Non-voting participating convertible junior preference shares.

The junior preference shares or any of them may be converted at any time by the holder or holders thereof into fully paid common shares of the Company on the basis of one common share for each junior preference share.

The junior preference shares are non-redeemable and rank equally with the common shares with respect to dividends.

VICTORIA WOOD HOMES
(A LIMITED PARTNERSHIP)

Statement of Earnings
for the Period from Commencement of Operations May 15, 1964 to August 31, 1968

	Period from Commencement May 15, 1964 to March 31	Years Ended March 31				Five Months Ended August 31
	1965	1966	1967	1968	1968	
Sales.....	\$3,108,126	\$6,692,270	\$8,109,434	\$11,303,600	\$3,568,657	
Cost of sales.....	2,719,070	5,980,763	7,223,577	9,568,764	3,000,050	
	389,056	711,507	885,857	1,734,836	568,607	
Add: Sundry income.....	—	59,567	48,549	42,133	23,186	
Gross earnings.....	389,056	771,074	934,406	1,776,969	591,793	
Deduct: Selling, general and administrative expenses.....	127,545	287,056	345,575	585,562	242,676	
Net earnings before income taxes.....	261,511	484,018	588,831	1,191,407	349,117	
Income taxes (note 2).....	130,000	242,000	294,000	595,000	174,000	
Net earnings.....	<u>\$ 131,511</u>	<u>\$ 242,018</u>	<u>\$ 294,831</u>	<u>\$ 596,407</u>	<u>\$ 175,117</u>	

See accompanying notes

Notes to Statement of Earnings

1. Carrying charges:

During the period from commencement of operations, May 15, 1964 to March 31, 1968 it was the partnership's practice to expense, in the year incurred, carrying charges applicable to land under development and land and improvements not yet under development. In order to match more accurately revenue and expenses, carrying charges have been added to the cost of lands for the year ended March 31, 1968 and the five months ended August 31, 1968 on the attached Statement of Earnings.

For the five months ended August 31, 1968 carrying charges in the amount of \$129,655, consisting of land mortgage interest and realty taxes, less sundry rental income received on parcels of land held for future development have been added to the cost of the land. In addition, no depreciation has been taken for buildings situated on lands held for future development nor has any amortization of leasehold interests been taken. Had these carrying charges been deducted from income and had depreciation been taken on the said buildings and amortization of the leasehold interests, the net earnings before income taxes for the period would have been reduced by \$143,515.

Carrying charges in the amount of \$127,757 deducted during the year ended March 31, 1968, applicable to land held for future development on hand as at March 31, 1968 and still on hand as at August 31, 1968 as either land under development or land and improvements not yet under development, have been added to the land list with a corresponding adjustment to earnings. These carrying charges consist of land mortgage interest, realty taxes, depreciation for buildings situated on lands held for future development and amortization of leasehold interest, less sundry rental income received on these said lands. There were no carrying charges before April 1, 1967 on any of this land. All other undeveloped land on hand as at March 31, 1967 has since been sold or otherwise utilized. Therefore, there is no necessity to add any carrying charges incurred prior to April 1, 1967 to cost of land.

2. Income taxes:

Victoria Wood Homes is a limited partnership, and as such does not pay income taxes on its profits. The various partners in Victoria Wood Homes pay incomes taxes on their portion of the profits at their own respective rates. Income taxes have been reflected on these statements to show approximately the amounts that Victoria Wood Homes would have paid had it been a limited company. For purposes of establishing the income tax figure, an approximate rate of 50% was applied.

3. Depreciation:

Depreciation charges for each of the five periods reflected on this financial statement are under \$2,000 in amount and are therefore considered immaterial. Accordingly, they have been included in "Selling, general and administrative expenses".

4. Earnings:

Victoria Wood Development Corporation Limited purchased substantially all of the undertaking, property and assets of Victoria Wood Homes. The undertaking, property and assets of Victoria Wood Homes that were not purchased by Victoria Wood Development Corporation Limited did not contribute to the earnings of the partnership for the period from commencement of operations May 15, 1964 to August 31, 1968.

AUDITORS' REPORT

To the Directors of
VICTORIA WOOD DEVELOPMENT CORPORATION LIMITED

We have examined the pro forma balance sheet of Victoria Wood Development Corporation Limited as at September 1, 1968, and the statement of earnings of Victoria Wood Homes (a limited partnership) for the period from commencement of operations May 15, 1964 to August 31, 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

- (a) The accompanying pro forma balance sheet of Victoria Wood Development Corporation Limited presents fairly the financial position of Victoria Wood Development Corporation Limited as at September 1, 1968 in accordance with generally accepted accounting principles after giving effect to the transactions as set out in Note 1 to the pro forma balance sheet.
- (b) The accompanying statement of earnings of Victoria Wood Homes (a limited partnership) presents fairly the results of the operations of Victoria Wood Homes for the period from commencement of operations May 15, 1964 to August 31, 1968 in accordance with generally accepted accounting principles applied on a consistent basis, after giving effect to Note 1 to the statement of earnings, with which we concur.

TORONTO, CANADA,
January 22, 1969

(Signed) LAVENTHOL KREKSTEIN HORWATH & HORWATH
Chartered Accountants

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966 (Ontario) provides, in effect, that where a security is offered to the public in the course of primary distribution

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus and any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the above-mentioned rights are conferred.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

Toronto, January 22, 1969.

(signed) MORRIS EMER
Chief Executive Officer

(signed) HARRY RUBIN
Chief Financial Officer

On behalf of the Board of Directors

(signed) ALEX J. RUBIN

(signed) ROBERT C. STONE

Promoters

(signed) MORRIS EMER

(signed) JOSEPH GODFREY,
by MARSHALL COHEN, his Attorney

REVENUE PROPERTIES COMPANY LIMITED

By (signed) ALEX J. RUBIN, President

(signed) HARRY RUBIN, Vice-President

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder. In respect of matters not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

Toronto, January 22, 1969.

F. H. DEACON & COMPANY LIMITED

By (signed) ROBERT C. STONE

The following includes the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital of F. H. Deacon & Company Limited:

F. Coulter Deacon, John S. Deacon, Donald M. Deacon, Robert D. Telfer, John W. Hetherington, John C. Moorhouse, Harold J. Knight, U. Brunck, Earle B. Hawkins and Marvin Z. Mandell.

SCHEDULE OF SHARE PROVISIONS

Provisions attaching to the Non-voting Senior Preference Shares, as a Class

The Non-voting Senior Preference Shares ("Senior Preference Shares") shall have attached thereto, as a class, the preferences, rights, conditions, restrictions, limitations and prohibitions hereinafter set forth, that is to say:

- (a) The Senior Preference Shares may at any time and from time to time be issued in one (1) or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the board of directors of the Company;
- (b) The board of directors of the Company shall, by resolution duly passed before the issue of any Senior Preference Shares of any series, fix the designation, rights, conditions, restrictions, limitations and prohibitions to be attached to the Senior Preference Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate or amount of preferential dividends, the date or dates and place or places of payment thereof, the consideration and the terms and conditions of any purchase for cancellation or redemption thereof, the terms and conditions of any share purchase plan or sinking fund and the restrictions (if any) respecting payment of dividends on any shares ranking junior to the Senior Preference Shares, the whole subject to the issue of supplementary letters patent setting forth the designation, rights, conditions, restrictions, limitations and prohibitions to be attached to the Senior Preference Shares of such series; provided, however, that no series of the Senior Preference Shares shall have attached thereto any conversion or voting rights;
- (c) The Senior Preference Shares of each series shall, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, be entitled to a preference over the Common Shares without par value of the Company and over any other shares ranking junior to the Senior Preference Shares and the Senior Preference Shares of each series may also be given such other preferences over the Common Shares and any other shares ranking junior to the Senior Preference Shares as may be determined as to the respective series authorized to be issued;
- (d) The Senior Preference Shares of each series shall rank on a parity with the Senior Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs;
- (e) No series of Senior Preference Shares shall be authorized which shall have a dividend rate in excess of ten per cent (10%) per annum on the amount from time to time paid up thereon or be entitled to receive upon liquidation, dissolution or winding-up or upon redemption or purchase for cancellation a sum in excess of one hundred and ten per cent (110%) of the amount paid up thereon plus a sum equivalent to all unpaid dividends accumulated thereon;
- (f) Subject to the provisions of clause (e) hereof, the holders of the Senior Preference Shares of each series shall be entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends fixed cumulative preferential cash dividends at such rate and on such date or dates as the directors may fix by the directors' resolution referred to in clause (b) hereof fixing the designation, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of such series and as may be set forth in the supplementary letters patent setting forth the designation, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of such series; such dividends shall accrue from such date or dates not later than six (6) months after the respective dates of issue as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined then from the date of allotment; cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada shall be issued in respect of such dividends; if on any date for the payment of any dividend on the Senior Preference Shares of any series the dividend payable on such date is not paid in full on all the Senior Preference Shares of such series then issued and outstanding such dividend

or the unpaid part thereof shall be paid on a subsequent date or dates determined by the board of directors of the Company on which the Company shall have sufficient moneys properly applicable to the payment of the same; the holders of the Senior Preference Shares of any series shall not be entitled to any dividends other than or in excess of the cash dividends for such series hereinbefore in this clause (f) referred to, except as provided for in the directors' resolution referred to in clause (b) hereof;

- (g) In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Senior Preference Shares of each series shall be entitled to receive the amount paid up on such shares, together with all dividends (if any) accrued thereon up to the date of distribution and then remaining unpaid on such shares, whether or not earned or declared (which dividends, for such purpose, shall be calculated as if such dividends were accruing from day to day) and an additional amount equal to the premium (if any) which would be payable upon the Senior Preference Shares of such series as part of the redemption price of such shares if such shares were redeemed under the provisions of clause (j) hereof, before any amount shall be paid or any property or assets of the Company distributed to the holders of any Common Shares or shares of any other class ranking junior to the Senior Preference Shares; after payment to the holders of the Senior Preference Shares of each series of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company;
- (h) No dividends (other than stock dividends in shares of the Company ranking junior to the Senior Preference Shares) shall at any time be declared or paid on or set apart for payment on any shares of the Company ranking junior to the Senior Preference Shares unless all dividends (including participating dividends, if any) up to and including the dividend payable for the last completed period for which such dividends shall be payable on each series of the Senior Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Company ranking junior to the Senior Preference Shares nor shall the Company call for redemption or purchase for cancellation or decrease or otherwise pay off any of the Senior Preference Shares (less than the total number of Senior Preference Shares then outstanding) or any shares of the Company ranking junior to the Senior Preference Shares unless all dividends up to and including the dividend payable for the last completed period for which such dividends shall be payable on each series of the Senior Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, decrease or other payment off;
- (i) Subject to the provisions of clause (h) hereof and subject to the rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of any series, the Company may at any time or times purchase (if obtainable) for cancellation all or any part of the Senior Preference Shares of any series outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Senior Preference Shares of such series outstanding at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable but not exceeding the price at which, at the date of purchase, such shares are redeemable as provided in clause (j) hereof (including accrued and unpaid preferential dividends as provided in the said clause (j)) plus costs of purchase; if upon any invitation for tenders under the provisions of this clause (i) the Company shall receive tenders of Senior Preference Shares of such series at the same lowest price which the Company may be willing to pay in an aggregate number greater than the number for which the Company is prepared to accept tenders, the Senior Preference Shares of such series so tendered which the Company determines to purchase at such price shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the number of Senior Preference Shares of such series so tendered by each of the holders of Senior Preference Shares of such series who submitted tenders at the said same lowest price;
- (j) Subject to the provisions of clause (h) hereof and subject to the rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of any series, the Company may upon giving notice as hereinafter provided redeem at any time the whole or from time to time any part of the then outstanding Senior Preference Shares of any series on payment for each share

to be redeemed of the amount paid up on such share together with such premium (if any) as the directors may fix by the directors' resolution referred to in clause (b) hereof fixing the designation, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of such series and as may be set forth in the supplementary letters patent setting forth the designation, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares of such series and together with all dividends (if any) accrued thereon up to the date fixed for redemption and then remaining unpaid on such shares, whether or not earned or declared (which dividends, for such purpose, shall be calculated as if such dividends were accruing from day to day);

- (k) In any case of redemption of Senior Preference Shares of any series under the provisions of clause (j) hereof, the Company shall at least thirty (30) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Senior Preference Shares of such series to be redeemed a notice in writing of the intention of the Company to redeem such last mentioned shares; such notice shall be mailed in an envelope, with postage prepaid, addressed to each such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure or omission to give any such notice to one (1) or more of such holders shall not affect the validity of such redemption; such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Senior Preference Shares of such series held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed; on or after the date so specified for redemption the Company shall pay or cause to be paid to or to the order of the registered holders of the Senior Preference Shares of such series to be redeemed the redemption price thereof on presentation and surrender at the head office of the Company or any other place within Canada designated in such notice of the certificates representing the Senior Preference Shares of such series so called for redemption; such payment shall be made by cheques payable at par at any branch of the Company's bankers for the time being in Canada; if a part only of the Senior Preference Shares of such series represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Company; from and after the date specified for redemption in any such notice, the Senior Preference Shares of such series called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected; the Company shall have the right at any time after the mailing of notice of its intention to redeem any Senior Preference Shares of any series as aforesaid to deposit the redemption price of the Senior Preference Shares of such series so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of the Senior Preference Shares of such series called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Senior Preference Shares of such series in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively; any interest allowed on any such deposit shall belong to the Company;
- (l) The holders of the Senior Preference Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting but shall be entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof; and
- (m) The authorization required by subsection 4 of section 33 of The Corporations Act to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Senior

Preference Shares as a class or to create preference shares ranking in priority to or on a parity with the Senior Preference Shares may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Senior Preference Shares duly called for that purpose and held upon at least twenty-one (21) days' notice at which the holders of at least twenty-five per cent (25%) of the outstanding Senior Preference Shares are present or represented by proxy; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Senior Preference Shares shall be entitled to one (1) vote in respect of each Senior Preference Share held.

Provisions attaching to the Series A Non-voting Senior Preference Shares

The Series A Non-voting Senior Preference Shares, in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the Senior Preference Shares as a class, shall have attached thereto the rights, conditions, restrictions, limitations and prohibitions hereinafter set forth, that is to say:

- (1) The rate of the fixed cumulative preferential cash dividends on the Series A Non-voting Senior Preference Shares shall be seven and one-half per cent ($7\frac{1}{2}\%$) per annum and such dividends shall be payable in quarterly instalments on the first days of January, April, July and October in each year on the amount from time to time paid up on such shares, the first of such dividend payment dates to be April 1, 1969;
- (2) So long as any of the Series A Non-voting Senior Preference Shares are outstanding the Company shall, subject to the provisions of clause (h) of the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the Senior Preference Shares as a class, during the year commencing on the first day of October, 1968 and during each and every year commencing on the first day of October thereafter purchase, at such time or times during each such year as the Company in its discretion shall determine, an aggregate of four thousand (4,000) Series A Non-voting Senior Preference Shares in the market in accordance with clauses (h) and (i) of the said preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares as a class, provided that notwithstanding anything contained in this clause, any Series A Non-voting Senior Preference Shares purchased in accordance with the provisions of the said clause (i) or redeemed in accordance with the provisions of clause (j) of the said preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Senior Preference Shares as a class, shall, notwithstanding their cancellation, constitute a credit of a number of shares equal to the number of shares so purchased or redeemed, as the case may be, which may at the election of the Company at any time or from time to time be used (to the extent not theretofore used) during (but not after) the year commencing on the first day of October in which such shares are so purchased or redeemed to reduce the obligation of the Company to purchase Series A Non-voting Senior Preference Shares in accordance with the provisions of this clause;
- (3) Upon any redemption of Series A Non-voting Senior Preference Shares, a premium of six per cent (6%) of the amount paid up on such shares shall be payable by the Company;
- (4) So long as any of the Series A Non-voting Senior Preference Shares are outstanding the Company shall not:
 - (i) declare or pay any dividends (other than stock dividends in shares of the Company ranking junior to the Series A Non-voting Senior Preference Shares) on any of its shares at any time outstanding and ranking junior to the Series A Non-voting Senior Preference Shares; or
 - (ii) redeem, purchase or otherwise pay off any of its shares at any time outstanding and ranking junior to the Series A Non-voting Senior Preference Shares (except out of the proceeds of an issue of shares ranking junior to the Series A Non-voting Senior Preference Shares made at any time after the first (1st) day of October, 1968, and prior to or contemporaneously with any such redemption, purchase or payment off); or

- (iii) elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (Revised Statutes of Canada 1952, Chapter 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions;

unless, immediately after giving effect to such action, the aggregate amount:

- (a) declared and/or paid subsequent to the first (1st) day of October, 1968, as dividends (other than stock dividends in shares of the Company ranking junior to the Series A Non-voting Senior Preference Shares) on all shares of all classes of the Company; and
- (b) distributed and/or paid (on redemption, purchase or other payment off) subsequent to the first (1st) day of October, 1968, in respect of all shares (other than Senior Preference Shares) of all classes of the Company; and
- (c) elected to be paid as tax as mentioned in subdivision (iii) immediately preceding;

will not be more than the aggregate of the Consolidated Net Earnings Available for Dividends of the Company and its subsidiaries for the period from the first (1st) day of October, 1968, to the day prior to the date of such action, both dates inclusive, plus the net cash proceeds to the Company or the value, as determined by the directors, of any other consideration to the Company of the issue (except by way of stock dividend) after the first (1st) day of October, 1968, of any of its shares ranking junior to the Series A Non-voting Senior Preference Shares.

“Consolidated Net Earnings Available for Dividends” of the Company and its subsidiaries as used in this clause (4) means the Consolidated Net Earnings of the Company and its subsidiaries (if any) calculated as provided in clause (5) hereof except that in calculating Consolidated Net Earnings Available for Dividends the earnings or losses of any subsidiary shall only be included from the date when such subsidiary became a subsidiary of the Company.

For the purposes of this clause (4) and subject to the foregoing provisions hereof, the directors of the Company may from time to time determine the Consolidated Net Earnings Available for Dividends of the Company and its subsidiaries (if any) as of a date not more than ninety (90) days prior to the making of such determination and may determine such Consolidated Net Earnings Available for Dividends to be not less than a stated amount without determining the exact amount thereof; in making any such determination the directors shall consider and may rely on the last available audited consolidated balance sheet of the Company and its subsidiaries and/or the last available audited balance sheet of the Company reported on by the Company's auditors and may consider and rely on the last available unaudited consolidated balance sheet of the Company and its subsidiaries and/or the last available unaudited balance sheet of the Company prepared by the accounting officers of the Company and upon any other financial statement, report or other data which they may consider reliable provided that the directors shall not make any such determination on the basis of any such balance sheet, statement, report or other data if to their knowledge any event has happened which would materially and adversely affect such consolidated net earnings available for dividends as determined on such basis; upon any such determination having been made by the directors under the provisions hereof the Consolidated Net Earnings Available for Dividends of the Company and its subsidiaries as at any date within a period of ninety (90) days following the date as of which such determination is made (unless any further determination of such Consolidated Net Earnings Available for Dividends is so made within the said period) shall be conclusively deemed to be not less than the amount stated in such determination and such determination shall be conclusive and binding on the Company and the holders of shares of every class;

- (5) The Company shall not issue any Senior Preference Shares in excess of the four hundred thousand (400,000) Series A Non-voting Senior Preference Shares without the prior approval of the holders of the Series A Non-voting Senior Preference Shares given as hereinafter specified unless the Consolidated Net Earnings of the Company and its subsidiaries for any twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of any such Senior Preference Shares shall have been at least equal to two (2) times the annual dividend requirements on all the Senior Preference Shares to be outstanding immediately after such issue including requirements (if any) in respect of participating dividends; a report of the Company's auditors as to

whether the Company is or is not entitled to issue any Senior Preference Shares without the prior approval aforesaid shall be conclusive and binding on the Company and the holders of shares of every class.

“Consolidated Net Earnings” as used herein means all the gross earnings and income of the Company and all its subsidiaries (if any) from all sources less all administrative, selling and operating charges and expenses of every character of the Company and all its subsidiaries (excluding gains or losses on the disposal of investments and fixed assets but including gains or losses on the disposition of real property) arrived at on a consolidated basis in accordance with generally accepted accounting practice; without limitation of the generality of the foregoing, operating charges and expenses shall include insurance, maintenance, repairs, renewals (except such expenditures for renewals as are chargeable to capital account in accordance with generally accepted accounting practice), rentals, licences, taxes (including taxes on income) and all interest and reasonable provisions or allowances for bad and doubtful debts and, in addition to actual expenditures for maintenance, reasonable allowances for depreciation and, in respect of sales of development land, such provision for amortization of the cost of such land (including applicable carrying charges and development expenses) as the directors with the approval of the Company’s auditors may determine; taxes on income shall, for the purposes of this definition, include or be determined by giving effect to such charges or credits to income or taxes on income in respect of deferred taxes on income as the directors with the approval of the Company’s auditors may determine; the net earnings of any subsidiary company for the purpose of this definition shall include only such part of the net earnings of such subsidiary calculated as aforesaid as under generally accepted accounting practice is applicable to those shares of such subsidiary which are held by the Company or any other subsidiary; if, at the time of determining Consolidated Net Earnings for any past period, the Company or any subsidiary has acquired, is in the process of acquiring, or proposes to acquire, any property or any shares of any other company (sufficient with any shares of such other company already owned by the Company or a subsidiary to result in such other company becoming a subsidiary) and if the net proceeds of the then proposed issue of Senior Preference Shares are to be applied directly or indirectly towards the cost of or in reimbursement of the cost of the acquisition of such property or shares (as to all of which a resolution of the directors shall be conclusive and binding) then the net earnings or net losses of such property or such other company for the same past period (calculated in accordance with the provisions herein contained respecting Consolidated Net Earnings) for the whole of the period for which Consolidated Net Earnings are to be computed shall, if in the opinion of the Company’s auditors the Company has access to data sufficient to enable such auditors to determine such net earnings or net losses, be treated as net earnings or net losses as the case may be in the computation of Consolidated Net Earnings; except as hereinbefore provided the earnings or losses of any subsidiary shall be included only from the date when it became a subsidiary of the Company.

For the purposes of this clause (5) and subject to the foregoing provisions hereof, Consolidated Net Earnings shall be determined by the auditors of the Company.

“Subsidiary company” or “subsidiary” as used herein means any corporation or company of which more than fifty per cent (50%) of the outstanding shares carrying voting rights at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the board of directors of such corporation or company) are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary;

- (6) No class of shares may be created or issued ranking as to capital or dividends prior to or on a parity with the Senior Preference Shares without the prior approval of the holders of the Series A Non-voting Senior Preference Shares given as hereinafter specified nor shall the authorized amount of Senior Preference Shares be increased without such approval; provided that nothing in this clause (6) contained shall prevent the Company from issuing additional series of the authorized Senior Preference Shares without such approval;
- (7) The provisions contained in clauses numbered (1) to (8) both inclusive (including this clause) and clauses lettered (a) to (m) both inclusive of the preferences, rights, conditions, restrictions, limita-

tions and prohibitions attached to the Senior Preference Shares as a class or any of them may be deleted, varied, modified, amended or amplified by supplementary letters patent but only with the prior approval of the holders of the Series A Non-voting Senior Preference Shares given as hereinafter specified, in addition to any approval required by The Corporations Act;

- (8) The approval of the holders of the Series A Non-voting Senior Preference Shares with respect to any and all matters referred to herein may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Series A Non-voting Senior Preference Shares duly called for that purpose and held upon at least twenty-one (21) days' notice at which the holders of at least twenty-five per cent (25%) of the outstanding Series A Non-voting Senior Preference Shares are present or represented by proxy; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Series A Non-voting Senior Preference Shares shall be entitled to one (1) vote in respect of each Series A Non-voting Senior Preference Share held. Any authorization required by subsection (4) of Section 33 of The Corporations Act may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Series A Non-voting Senior Preference Shares duly called and held for that purpose in accordance with the foregoing provisions.

Provisions attaching to the Junior Preference Shares and the Common Shares

1. The holders of the Junior Preference Shares shall not, as such, have any voting rights for the election of directors or for any other purpose nor shall they be entitled to attend shareholders' meetings; holders of the Junior Preference Shares shall, however, be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof; holders of common shares shall be entitled to one (1) vote for each common share held by them at all shareholders' meetings;

2. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets among the shareholders by way of repayment of capital, after the payment to the holders of the Senior Preference Shares provided for in clause (g) of the preferences, rights, conditions, restrictions, limitations and prohibitions attached to the Senior Preference Shares as a class, the holders of the Junior Preference Shares shall be entitled to receive an amount per share equal to the amount paid up thereon in priority to any distribution to the holders of the common shares; thereafter the holders of the common shares shall be entitled to receive an amount per share equal to the amount paid to or received by the Company on the issue of the common shares then outstanding divided by the number of common shares then issued and outstanding; after payment to the holders of the Senior Preference Shares, the holders of the Junior Preference Shares, and to the holders of the common shares of the amounts so payable to them, all the remaining property and assets of the Company shall be distributed in equal amounts per share, to the holders of all the outstanding Junior Preference Shares and common shares without preference or distinction;

3. The Junior Preference Shares, or any of them, may, upon and subject to the terms and conditions hereinafter set forth, be converted at any time by the holder or holders thereof into fully paid common shares of the Company on the basis of one (1) common share for each Junior Preference Share;

4. A holder of Junior Preference Shares desiring to convert his Junior Preference Shares into common shares in accordance with the foregoing shall surrender the certificate or certificates representing his Junior Preference Shares so to be converted to the head office of the Company or to the transfer agent for the time being of the Company in respect of such shares, together with a request in writing for such conversion with his signature thereon verified in such manner as the directors of the Company may from time to time require;

5. In the event of any subdivision and/or change of the common shares of the Company at any time into a greater number and/or a different class or classes of shares, the holder of any Junior Preference Share exercising the conversion right attaching thereto at any time after such subdivision and/or change shall be entitled to such additional number and/or different class or classes of shares as would have resulted from such subdivision and/or change if the right of conversion had been exercised prior to the date of such

subdivision and/or change; and in the event of any consolidation and/or change of the common shares of the Company at any time into a lesser number and/or different class or classes of shares, the holder of any Junior Preference Share exercising the conversion right attaching thereto at any time after such consolidation and/or change shall be entitled to such lesser number and/or different class or classes of shares as would have resulted from such consolidation and/or change if the right of conversion had been exercised prior to the date of such consolidation and/or change;

6. The Company shall not issue subscription warrants or other rights to purchase its shares nor pay stock dividends to the holders of its common shares without issuing such warrants or rights or paying such dividends on the same basis to the holders of its Junior Preference Shares, nor shall it issue subscription warrants or other rights to purchase its shares nor pay stock dividends to the holders of its Junior Preference Shares without issuing such warrants or rights or paying such dividends on the same basis to the holders of its common shares;

7. The authorization for an application for the issue of supplementary letters patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Junior Preference Shares or to create preference shares ranking in priority to or on a parity with the Junior Preference Shares, in addition to the authorization by a special resolution, may be given by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Junior Preference Shares duly called for that purpose.

DISTRIBUTION OF PREFERRED STOCK AS OF MARCH 24, 1969

Number							Shares
15	Holders of	1 —	24	share	lots	.....	250
61	" "	25 —	99	" "	.....		3,290
106	" "	100 —	199	" "	.....		11,234
95	" "	200 —	299	" "	.....		19,130
5	" "	300 —	399	" "	.....		1,550
42	" "	400 —	499	" "	.....		16,846
20	" "	500 —	999	" "	.....		12,350
18	" "	1000 —	up	" "	.....		335,350
<hr/>							<hr/>
<u>362</u>	Shareholders					Total shares	<u>400,000</u>

As of April 16, 1969 there were 373 Board Lot owners of Common and of Series "A" Preference Shares whose shares were registered in the name of the Underwriter F. H. Deacon & Company Limited.

